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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1998-1999

Office accommodation at the Palais Wilson

Report of the Secretary-General

I. INTRODUCTION

1. The present report provides detailed information on and seeks the concurrence of the General Assembly for the acceptance of the proposal of the Swiss Federal Council to place at the disposal of the United Nations accommodation known as the "Palais Wilson".

2. On 21 July 1997, the Swiss Federal Council provided official notification of its offer by a letter addressed to the Director-General of the United Nations Office at Geneva.

3. Under the conditions described in the letter, the building would be granted rent-free, initially for the period from 1998 to 2000, with the intention of maintaining that arrangement indefinitely. Further, while the building would be managed by the Fondation des immeubles pour les organisations internationales (FIPOI), which would be responsible for building and technical services installations (maintenance, renovation and repairs), the cost of those services would be paid by the United Nations Office at Geneva at a fixed rate of SwF 78 (or $54) per square metre per year. In addition, the letter indicated that the various modalities of utilization of the building would be established through a contractual agreement between the United Nations and FIPOI. This agreement is yet to be established to take into account practical and other arrangements regarding the proposed move of the Office of the United Nations High Commissioner for Human Rights to the Palais Wilson, which is still under discussion with the Swiss authorities.

4. The Palais Wilson contains sufficient space to provide for the accommodation and conference space needs of the Office of the High Commissioner.

Should the General Assembly approve the acceptance of the Palais Wilson from the Government of Switzerland, and all other arrangements are in place, it is anticipated that the building could be occupied by mid-April 1998. In addition, space at the Palais des Nations released by the move to the Palais Wilson would enable the rationalization and consolidation of existing operations within the Palais des Nations or the Geneva Executive Centre and, thereby, the closure of the Petit Saconnex annex.

II. FINANCIAL IMPLICATIONS

5. In the following discussion of the financial issues linked to the proposed move to the Palais Wilson, account has been taken of the expected absorption by the Swiss authorities of the one-time structural costs, provided that such costs remain within SwF 4 million, and the costs related to the maintenance for the biennium 1998-1999.

6. The financial implications are composed of two parts. Part A describes the total costs, both one-time and recurrent, and part B the proposed funding arrangements.

Part A. Total cost estimates

		1998-1999 (United States dollars)
1.	One-time costs	
	(a) Conference rooms and related equipment	1 500 000
	(b) Structural changes	400 000
	(c) Security-related changes	1 080 000
	(d) Information technology - active connectivity	180 000
	(e) Moving costs	150 000
	(f) Furniture	100 000
	Subtotal (1)	3 410 000
2.	Recurrent costs	
	(a) Staff costs	900 000
	(b) Transportation (shuttle bus)	100 000
	(c) Audio (conference equipment) technician	60 000
	(d) Maintenance (FIPOI)	930 000
	(e) Utilities	300 000
	(f) Cleaning	265 000
	(g) Telephone connection	85 000
	Subtotal (2)	2 640 000
	Grand total	6 050 000

One-time costs

7. Conference rooms and related equipment ($1,500,000). A conference room currently exists with a capacity of 100-120 delegates. In order to regroup a maximum number of meetings at the Palais Wilson, an additional two conference rooms are proposed: one with a seating capacity of 100-120 delegates and the other with a capacity of 60-80 delegates. Both conference rooms would be located on the first floor of the building. As concerns interpretation, the existing conference room on the ground floor is equipped with six interpreter booths. In view of space considerations, it is envisaged that the two additional rooms would operate via remote interpretation from the Palais des Nations.

8. Structural changes ($400,000). A number of structural changes to the existing layout have been identified with regard to connecting doors between offices and related areas.

9. Security-related changes ($1,080,000). Both structural changes and additional security equipment are proposed. As concerns structural modifications estimated at $830,000, these would involve outside fencing (on the lake side), reinforcement of window panes and shutters on the ground floor and a reception/checking/clearance area at the entrance to the building. In connection with the installation of additional security equipment estimated at $250,000, these would include cameras, metal detectors and a link to the United Nations Office at Geneva central control centre.

10. Information technology - active connectivity ($180,000). Although connections and plugs are in place within the building, actual connectivity to the data network at the Palais des Nations would need to be installed.

11. Moving costs ($150,000). Resources are required for moving and related costs (packing) from the current premises at the Palais des Nations.

12. Furniture ($100,000). The provision is for the purchase of a limited amount of furniture as it is the intention to utilize the existing furniture to the extent possible. In addition, the provision would cover the cost of the refurbishment of some of the existing furniture as necessary.

Recurrent costs

13. Recurrent operating costs estimated for the biennium 1998-1999 would amount to $2,640,000. These costs have been estimated on the basis of occupation of the building as of 1 May 1998, that is, for 20 months of the biennium 1998-1999.

14. Staff costs ($900,000). In view of the need to provide security for the premises on a 24-hour, 7-day basis, general temporary assistance for the equivalent of nine security officers would be necessary. No provision is made for messenger services, as the Division of Administration intends to reorganize its existing messenger services to accommodate the needs at the Palais Wilson.

15. Transportation - shuttle bus ($100,000). A shuttle bus would need to operate on a full-time basis between the Palais des Nations and the Palais

Wilson. The resources indicated would provide for the leasing of an appropriate vehicle and accompanying driver.

16. Audio (conference equipment) technician ($60,000). The level of resources would provide for a full-time technician to service the three conference rooms continuously.

17. Maintenance - FIPOI ($930,000). As indicated in paragraph 3, the building is provided on a rent-free basis. However, the United Nations would be required to make payment amounting to SwF 78 (or approximately $54) per square metre per year for building maintenance to be undertaken by FIPOI.

18. Utilities ($300,000). The estimated level of resources is based on the experience of the United Nations Office at Geneva and discussions with FIPOI on utilities costs for similarly sized buildings.

19. Cleaning ($265,000). Two cleaning options are being considered: an extension of the present contract or the selection of a company after a separate bidding process. Nonetheless, based on the existing pattern of expenditures at the United Nations Office at Geneva, cleaning requirements are estimated to amount to $265,000.

20. Telephone connection ($85,000). Resources would be required to install and maintain connectivity at the Palais Wilson with the existing system at the United Nations Office at Geneva. The costs have been estimated by Swiss Telecom at SwF 6,000 (or approximately $4,200) per month.

Part B. Funding arrangements

21. Of the total estimated cost of $6,050,000 for the move to the Palais Wilson, it is expected that the Swiss authorities would cover a number of the one-time costs amounting to $2,990,000, as well as the maintenance costs for the biennium 1998-1999 amounting to $930,000. The maintenance costs would, however, represent expenditures to be included in future proposed programme budgets of the Organization. The balance of the costs for the biennium 1998-1999 amounting to $2,130,000 would be borne by the closure of the Petit Saconnex building and by new tenants occupying space released by the movement of staff to the Palais Wilson. The proposed contribution of the Government of Switzerland together with the distribution of the costs to be absorbed by the United Nations, are detailed in the table below.

22. With regard to the closure of the Petit Saconnex building to be initiated concurrently with the move to the Palais Wilson, resources originally intended for the Petit Saconnex would be utilized to cover the costs related to the Palais Wilson. The estimated level of resources to be transferred in this connection for the biennium 1998-1999 would amount to $705,000 broken down as follows:

(a) $300,000 for staff costs associated with three staff (two security officers and one messenger);

(b) $45,000 representing the current level of rent;

(c) $150,000 for utilities (electricity, water, fuel);

(d) $170,000 for cleaning;

(e) $40,000 for telephone lines.

III. SUMMARY AND CONCLUSION

23. The total cost of the move to the Palais Wilson building, which is to be provided on a rent-free basis initially for the period from 1998 to 2000 by the Government of Switzerland, would amount to $6,050,000, of which $3,920,000 is to be covered by the Swiss authorities and the balance of $2,130,000 from existing and projected resources of the Organization. In this connection, no additional resources are requested for the biennium 1998-1999. However, recurrent costs associated with the maintenance and operation of the building would be reflected in the proposed programme budget for Administration, Geneva.

24. Bearing in mind the needs of the Organization, the General Assembly may wish to approve the Secretary-General's proposal to accept the offer of the Swiss authorities of the Palais Wilson building. The Secretary-General is of the view that it is unlikely that the Organization would be able to locate comparable space in close proximity to the Palais des Nations at the cost currently estimated for the move to the Palais Wilson.

Estimated costs for the biennium 1998-1999

	1998-1999 estimates	Contribution from the Government of Switzerland[a]	United Nations resources[b]
One-time costs			
Additional conference room	1 500 000	(1 500 000)	0
Structural changes	400 000	(400 000)	0
Security (structural)	830 000	(830 000)	0
Security (equipment)	250 000	(110 000)	(140 000)
Active connectivity IT	180 000	0	(180 000)
Moving costs	150 000	(150 000)	0
Furniture	100 000	0	(100 000)
Subtotal	3 410 000	(2 990 000)	(420 000)
Recurrent costs			
9 staff (temporary assistance funds)	900 000	0	(900 000)
Transportation (outsourced)	100 000	0	(100 000)
Audio technician (outsourced)	60 000	0	(60 000)
Maintenance	930 000	(930 000)	0
Utilities (water/electricity/heating)	300 000	0	(300 000)
Cleaning	265 000	0	(265 000)
Telephone (connection)	85 000	0	(85 000)
Subtotal	2 640 000	(930 000)	(1 710 000)
Total	6 050 000	(3 920 000)	(2 130 000)

[a] The Swiss authorities are actively pursuing the possibility of absorbing these costs.

[b] To be absorbed through redeployment of existing and projected United Nations resources and contribution from extrabudgetary operation occupying the space vacated by the Office of the United Nations High Commissioner for Human Rights.